

HOUSE BILL 885

B5, C7

0lr0571

By: **Delegates Simmons, Barkley, Gilchrist, Kramer, and Rice**

Introduced and read first time: February 10, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Video Lottery Terminal Revenues – School Construction and Improvement**

3 FOR the purpose of repealing a provision of law that establishes a Purse Dedication
4 Account; altering the distribution of revenues from video lottery terminals to
5 provide that a certain percentage of those revenues are to be used for public
6 school construction and improvement in accordance with certain provisions of
7 law; authorizing the State to borrow money, through the sale of general
8 obligation bonds, in anticipation of certain revenues; requiring the State to use
9 certain bond proceeds to fund public school construction and improvement; and
10 generally relating to the use of revenues from video lottery terminals.

11 BY repealing

12 Article – State Government
13 Section 9–1A–28
14 Annotated Code of Maryland
15 (2009 Replacement Volume)

16 BY repealing and reenacting, with amendments,

17 Article – State Government
18 Section 9–1A–27
19 Annotated Code of Maryland
20 (2009 Replacement Volume)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
22 MARYLAND, That Section(s) 9–1A–28 of Article – State Government of the Annotated
23 Code of Maryland be repealed.

24 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland
25 read as follows:

26 **Article – State Government**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 9-1A-27.

2 (a) On a properly approved transmittal prepared by the Commission, the
3 Comptroller shall pay the following amounts from the proceeds of video lottery
4 terminals at each video lottery facility:

5 (1) 2% to the State Lottery Agency for costs as defined in § 9-1A-01 of
6 this subtitle;

7 (2) to the video lottery operation licensee, the percentage stated in the
8 accepted bid for the location, not to exceed 33%;

9 (3) 5.5% in local impact grants, in accordance with § 9-1A-31 of this
10 subtitle;

11 (4) 7% to [the Purse Dedication Account established under § 9-1A-28
12 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually] **BE
13 USED IN ADDITION TO THE AMOUNT PROVIDED FROM GENERAL OBLIGATION
14 BOND PROCEEDS IDENTIFIED IN THE CAPITAL IMPROVEMENT PROGRAM TO
15 CONSTRUCT PUBLIC SCHOOL BUILDINGS AND PROVIDE PUBLIC SCHOOL
16 CAPITAL IMPROVEMENTS IN ACCORDANCE WITH §§ 5-301 THROUGH 5-303 OF
17 THE EDUCATION ARTICLE, NOT TO EXCEED A TOTAL OF \$100,000,000
18 ANNUALLY;**

19 (5) for the first 8 years of operations at a video lottery facility, 2.5% to
20 the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle,
21 not to exceed a total of \$40,000,000 to the Account annually;

22 (6) 1.5% to the Small, Minority, and Women-Owned Businesses
23 Account established under § 9-1A-35 of this subtitle; and

24 (7) the remainder to the Education Trust Fund established under §
25 9-1A-30 of this subtitle.

26 (b) (1) If the costs of the State Lottery Agency are less than the proceeds
27 specified in subsection (a)(1) of this section, any amount not distributed to the State
28 Lottery Agency shall be paid to the Education Trust Fund established under §
29 9-1A-30 of this subtitle.

30 (2) The costs of the Commission shall be as provided in the State
31 budget.

32 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
33 other provision of law, the State of Maryland is authorized to borrow money, through
34 the sale of general obligation bonds issued on the full faith and credit of the State, in
35 anticipation of video lottery revenues that are collected by the State in accordance

1 with § 9–1A–27(a)(4) of the State Government Article. The proceeds of such a sale of
2 State bonds shall be used by the State to construct public school buildings and provide
3 public school capital improvements in accordance with §§ 5–301 through 5–303 of the
4 Education Article.

5 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 June 1, 2010.